



Client Acceptance and Overview Policy
Customer Acceptance & Risk Assessment Procedures

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Version

1.1

Controller

Chirag Sharma

Approved by

Gökhan Yılmaz

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1. OVERVIEW

The purpose of this document is to provide company employees guidance on policies and procedures for acceptance of customers in accordance with [AgaBullion Responsible Precious Metals Policy](#)

This policy has been created with inputs from the relevant employees of the company. This policy applies to one-time and repeat customers.

It is mandatory for all employees of the company to strictly apply the policy. An employee's non-compliance may lead to penalties as defined by the authorized signatory at his/her discretion.

This policy will be reviewed once every calendar year to ensure that it is relevant to the industry best practices.

Only the Risk Committee has the right and obligation to review and amend any aspect of the policy. Under no circumstances will any other employee of the company amend any aspect of the policy.

The policy will become effective from the date of signature of the approving authority.

Should any employee of the company require assistance in clarification of content and/or implementation of the policy, they should seek advise from the Risk Committee and/or authorized persons qualified to provide such clarification.

The categorization and vetting of new trading/service partners will be done by the Risk Committee while the Board will have final decision to act based the findings of the Risk Committee.

2. SEGMENTING OF TRADING PARTNERS

The companies main purpose is in segmenting all potential trading/service providers so that the proper documentation can be obtained from them. All parties that the company interacts with has to be categorized into one of the below segments:

1. Government Entities
2. Financial Institutions
3. Member of Borsa Istanbul Precious Metals Exchange
4. Corporate – Gold Trading Experienced
 - a. Trading Company
 - b. Mining Company
5. Corporate – No Gold Trading Experience
6. Private Individual
7. Service Providers
8. Miscellaneous

The segmentation will be done by the Risk Committee to ensure correct categorization.

The first process of all activities of client onboarding will be the categorization of trading partners.



3. KNOW YOUR CUSTOMER (KYC) PROCESS

For each trading partner the KYC process must be completed thoroughly.

A Risk Committee member must approve start of account opening process and the categorization of this account to start the documentation and analysis process. (For convenience the approval to start KYC Procedures and the Categorization can be done by email.)

Once the categorization of the trading partner has been established, the account officer will initiate the KYC process by providing the customer with the relevant forms to fill out as detailed below.

The account officer must also inform the potential trading partner of AgaBullion's adherence to RPM procedures and also present them a copy of AgaBullion Responsible Precious Metals Policy

a) Government Entities and Financial Institutions (Category 1 and 2)

- Legally Acceptable Specimen Signature and Power Of Attorney

b) Members of Borsa Istanbul Precious Metals Exchange (Category 3)

- Confirmation from Borsa Istanbul web site that the company is active member or other form of certification showing membership.
- Since trading is done via terminals no other documentation is required.

c) Corporate – Experienced in Gold Trading (Trading Company) (Category 4a)

- AgaBullion Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- World Check Findings on Company, Signatories and Beneficial Owners

d) Corporate – Experienced in Gold Trading (Mining Company) (Category 4b)

- AgaBullion Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- LBMA Artisanal and Small Scale Mines or LBMA Large and Medium Scale Mines questionnaire as the case may require.
- Due Diligence Checklist for Mined Gold
- World Check Findings on Company, Signatories and Beneficial Owners

e) Corporate – No Gold Trading Experience (Category 5)

- AgaBullion Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- World Check Findings on Company, Signatories and Beneficial Owners

f) Private Individuals (Category 6)

- A copy of National ID and/or Passport Copy
- Consumer Account Opening Application Form
- Specimen Signature
- World Check Findings on the Individual

g) Service Providers (Category 7)

- Legally Acceptable Specimen Signature and Power Of Attorney
- Copy of Tax ID / Tax Certificate of Company
- World Check Findings on Company, Signatories and Beneficial Owners (if any)
- Contract detailing service to be provided.

h) Miscellaneous (Category 8)

- This is a general categorization in which accounts that are held in company books that does not fall into any of the above criteria and does not involve trading of any kind are categorized under this category. The documentation required will be evaluated on a case by case basis.

4. KYC ASSESSMENT PROCESS

It is the responsibility of the account officer to assist in the documentation process for our potential trading partners to correctly fill out forms and receive the filled out documentation.

The documents must be checked for completeness and accuracy as follows:

- All the fields are filled out with the relevant information
- Accompanying documents such as trade license, etc are submitted in full and as per the requirements stated in the forms
- Checking the validity of relevant documents that have an expiry date to ensure it is still valid.

All documents shall be physically stored in the head office with scanned copies also filed in cloud based servers for additional security.

Once the documentation process has been satisfactorily completed Account Opening Checklist Form must be completed.

If there are waivers/delays in documentation approvals must be obtained from the Risk Committee Members.

Account Opening Approval Form and its supporting documents are for internal use and should only be shared externally after obtaining permission from the authorized person who is responsible for providing such approval.

Once all is finalized the documentation as well as the checklist will be presented to the Risk Committee for Risk Assessment and Account Opening.

5. RISK ASSESSMENT

Upon completion of KYC Assessment Process the Risk Committee adjourns and process the request to open account. During this meeting a Risk Rating is given to all new accounts and is noted on the Account Opening Checklist Form.

All trading partners categorized under the following categories will be considered Low Risk and require no other additional decision to open accounts and start activity.

- **Category 1.** - Government Entities
- **Category 2.** - Financial Institutions
- **Category 3.** - Member of Borsa Istanbul Precious Metals Exchange
- **Category 7.** - Service Providers

Any Company and/or Authorized Signatory and/or Beneficial Owner that is flagged on World Check as high risk entity (PEP, Designated Official, Previously Sanctioned/ Currently Sanctioned etc.) must be clearly documented and approved or rejected by the Risk Committee.

An overall risk rating will be assigned to the customer using a subjective approach that is in compliance with the 'AgaBullion's Responsible Precious Metals Policy', the 'LBMA Responsible Gold Guidance' and the provisions of the 'OECD Guidance for conducting risk based due diligence for sourcing from conflict-affected and/or high risk areas for Gold'

The risk rating will be assigned and approved by the Risk Committee and a suggestion/rejection to account opening will be given to the Board of AgaBullion.

The Risk Committee will classify the trading partners Risk Level and change it as it sees fit in due process.

Risk Level	Action
Low	Start trading
Medium	Start trading but mitigating risk on a progressive basis
High	Mitigate the risk to a lower level to start trading
Zero Tolerance	Discontinue customer engagement and report information to the concerned authority for their further action

A risk assessment for ongoing customers is to be done at least once a year calculated from the date of internal customer approval.

The risk assessment and internal customer approval form is private and confidential. Under no circumstances shall it be circulated externally either in part or full.

It is the responsibility account officer to properly maintain customer files and act according to the guidelines as set forth in this policy.



6. FINALIZATION AND ACCOUNT OPENING

The Risk Committees decision will be noted on the Account Opening Approval Form as well as with the minutes of the meeting.

The Board has the final decision in the account opening process and can act freely while taking into consideration of the suggestion of the Risk Committee.

Documentation tracking and the responsibility of adhering to the documentations standards will be undertaken by the account officer of the trading partner.

7. WHISTLE BLOWING

Should any an employee notice non-compliance with the policies as described, they should report the matter in this order of escalation, moving up in level if no action is taken:

- AgaBullion Risk Committee members
- AgaBullion Boar Members
- AgaBullion Beneficial Owners

The identity of the whistle blower will always be kept confidential.

The whistle blower is not permitted to discuss the matter with any other persons including the non-compliant employee.

Failure to adhere to this point may lead to disciplinary penalties at the discretion of the person and result in dismissal and/or criminal prosecution.